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Basic

YOUR
Basic
MARKETING
PLAN
1995

Basic

WHAT

WHAT IS A DISCOUNT BRAND — PRICE DIFFERENCE

	DISCOUNT	PREMIUM
AVERAGE PACK PRICE	$1.56	$193
SHARE OF INDUSTRY	29%	71%

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BASIC
1995 EXECUTIVE SUMMARY

- 1995 BUSINESS OBJECTIVES
  - —ACHIEVE VOLUME OF 22.5 BILLION UNITS
  - —GROW SHARE OF CATEGORY 15.2
  - —INCREASE NET CONTRIBUTION TO $293MM
- BRAND OBJECTIVES
  - —ADD SUFFICIENT VALUE TO SUSTAIN MODEST PRICE DISADVANTAGE VS. COMPETITION
  - —DIFFERENTIATE BASIC WITH AN HONEST, STRAIGHT-FORWARD & SOMETIMES HUMOROUS COMMUNICATION OF LOW PRICE AND GOOD QUALITY
- BRAND STRATEGIES
  - —EVOLVE HUMOROUS/HONEST /STRAIGHT FORWARD ATTITUDE IN MARKETING COMMUNICATION
  - —CONTINUE TO BUILD AWARENESS THROUGH ADVERTISING AND PROMOTIONS
  - —PROMOTIONALLY, UTILIZE VALUE ADDED OFFERS -- PRODUCT AND INCENTIVES -- RATHER THAN PRICE
  - —BUILD BRAND PERFORMANCE IN UNDERDEVELOPED /HIGH CDI GEOGRAPHIES
  - —INCREASE MENTHOL PERFORMANCE IN KEY MENTHOL MARKETS
  - —GAIN RETAIL VISIBILITY WITH POS & PROMOTIONS
  - —DEVELOP RELATIONSHIP WITH SMOKERS THROUGH DIRECT MAIL & FSI

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BASIC
1995 ADVERTISING STRATEGY

- ADVERTISING OBJECTIVES
  - TO BRAND BASIC
  - TO BUILD AWARENESS
  - TO REINFORCE BASIC'S LOW PRICE PROPOSITION
  - TO REINFORCE THAT BASIC IS A QUALITY CIGARETTE
- CREATIVE STRATEGY
  - EVOLVE PRINT TO ENHANCE ATTITUDE THROUGH HUMOROUS/HONEST/ STRAIGHT-FORWARD EXECUTIONS
  - DEVELOP OOH THAT ENHANCES "YOUR BASIC_____ "ATTITUDE AND MAXIMIZE BRANDING

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TOP 10 BRANDS IN THE US MARKET

		SOM
1	MARLBORO - PM	30.72
2	WINSTON - RJR	5.79
3	GPC - B&W	5.27
4	DORAL - RJR	5.01
5	BASIC - PM	4.59
6	CAMEL - RJR	4.58
7	NEWPORT - LORILLARD	4.24
8	SALEM - RJR	3.82
9	KOOL - B&W	3.06
10	VIRGINIA SLIMS - PM	2.90

SOURCE: NIELSEN INTEGRATED - MAY '95, 3MM

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BASIC
1995 PROMOTION PLAN

RETAIL PACK

- JANUARY LIGHTER WITH 2 PACKS
- MARCH B2G1F
- APRIL CAP WITH 3 PACKS
- JUNE B3G2F
- JULY CAN COOLER WITH 2 PACKS
- SEPTEMBER B2G1F
- NOVEMBER B3G2F

RETAIL CARTON

- FEBRUARY CLOCK WITH 1 CARTON
- MAY DUFFLE BAG WITH 1 CARTON
- AUGUST 5 PACKS WITH 1 CARTON
- OCTOBER THERMOS WITH 1 CARTON

MEGA OUTLET

- BUYDOWN TO WITHIN $1.00 OF COMPETITION

MEDIA (FSI)

- FEBRUARY B2G1F/$1.50 CTN
- APRIL B2G1F/$1.50 CTN
- JUNE B2G1F/1.50 CTN

DIRECT MARKETING

- APRIL - OFFENSIVE/DEFENSIVE (4.5MM)
- JULY - OFFENSIVE/DEFENSIVE (1.9MM)
- OCTOBER - OFFENSIVE/DEFENSIVE (1.7MM)

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KEY ISSUES - 1995

- PRICE DISADVANTAGE
- GEOGRAPHIC CONCENTRATION
- BRAND ATTITUDE

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DISCOUNT BRAND MARKETING

1. PRICE REDUCTION THROUGH BUYDOWN AND/OR COUPONS
2. BUILDING EQUITY TO SUSTAIN MODEST PRICE DIFFERENTIAL

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WHO

WHO IS SMOKING DISCOUNT

		DISCOUNT	PREMIUM
SEX	MALE	44	53
	FEMALE	56	47
RACE	WHITE	90	81
	BLACK	5	10
	HISPANIC	5	8
AGE	18-34	24	44
	35+	76	56
	MEDIAN AGE	43	36
INCOME	UNDER $30K	49	40
	OVER $30K	39	50

Source: Smoker tracking study - 6 mm May '95

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Basic

WHO

WHO IS SMOKING DISCOUNT BRANDS

		DISCOUNT	BASIC	GPC	DORAL
SEX	MALE	44	49	53	41
	FEMALE	56	51	47	59
RACE	WHITE	90	90	87	90
	BLACK	5	6	6	6
	HISPANIC	5	3	6	4
AGE	18-34	24	29	27	24
	35+	76	71	73	76
	MEDIAN AGE	43	41	42	42
INCOME	UNDER $30K	49	53	59	48
	OVER $30K	39	36	31	41

Source: Smoker tracking study - 6 mm May '95

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PM-USA DISCOUNT BRAND STRATEGIES

- ACHIEVE FAIR SHARE OF DISCOUNT CATEGORY
- MANAGE PARTICIPATION IN CATEGORY
  - MANAGING THE RELATION TO FM / PREMIUM BUSINESS
- PARTICIPATE IN CATEGORY WITH BRANDED TRADEMARKS

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BASIC
1995 CONTINUITY PROGRAM
DEVELOPMENT MEETING

Basic

BRAND OBJECTIVES

- WHAT DO WE WANT TO ACHIEVE?

  --ADD SUFFICIENT VALUE TO SUSTAIN A MODEST PRICE DISADVANTAGE VERSUS OUR COMPETITORS

  --DIFFERENTIATE WITH AN HONEST, STRAIGHT-FORWARD, SOMETIMES HUMOROUS COMMUNICATION OF LOW PRICE AND GOOD QUALITY

BRAND STRATEGY

- HOW CAN WE ACHIEVE THIS?

  --NATIONAL ADVERTISING (PRINT AND OOH) UTILIZING A STRAIGHT-FORWARD/ HUMOUROUS APPROACH

  --NATIONAL MARKETING PROGRAMS DELIVERING VALUE-ADDED OFFERS (PRODUCT AND INCENTIVES), RATHER THAN PRICE

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BRAND OVERVIEW

- WHAT IS BASIC?

  --BASIC IS CURRENTLY THE THIRD LARGEST BRAND WITHIN THE DISCOUNT CIGARETTE CATEGORY

  --NATIONAL WITH HIGHER CONCENTRATION IN RUST BELT (SOUTH TO FINGER LAKES)

- WHO IS BASIC?

  --THE BASIC CONSUMER IS:

GENDER:	FEMALE:	49%
	MALE:	51%
MEDIAN AGE:	39 YEARS OLD (35+ YEARS: 65%)	
RACE:	WHITE: 91%	
INCOME:	UNDER $30,000: 56%	
EDUCATION:	NO COLLEGE: 63%	
COUNTY:	URBAN/SURBURBAN/RURAL	

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- WHO ARE BASIC'S PRIME PROSPECTS?

  --SMOKERS WHO CANNOT OR CHOOSE TO NOT PAY THE HIGHER PRICE OF FULL MARGIN BRANDS, AND WHO HAVE MADE A DECISION TO EITHER DABBLE IN OR COMMIT TO PURCHASING LOWER PRICED CIGARETTES

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<u>1995 "UMBRELLA" PROGRAM</u>

- BEGINNING WITH APRIL 1995 PROMOTIONS, BASIC IS PLANNING TO INTRODUCE A PROGRAM WITH WHICH WE CAN INTEGRATE ALL '95 PROMOTIONS : RETAIL, DIRECT MAIL, MEDIA (FSI AND PRINT).
  <u>EXAMPLE:</u> "YOUR BASIC NECESSITIES"

—SHELTER : HOUSE
—TRANSPORTATION : CARS/4WD VEHICLES
—CLOTHING: JACKETS
—FOOD : STEAKS

<u>OBJECTIVES:</u>

- TO LEVERAGE BASIC'S ATTITUDE, GENERATE AWARENESS AND PORTRAY BASIC AS A "BIG BRAND"

- TO GIVE CONSUMERS A REASON BEYOND PRICE TO PURCHASE BASIC

- TO REWARD / MAINTAIN BASIC'S CURRENT FRANCHISE

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STRATEGIES:

- RETAIL PROMOTIONS WITH ON-PRODUCT INCENTIVES, CONTINUITY CATALOG/ SWEEPSTAKES
- DIRECT MAIL PROGRAMS: MAILING #1: COUPONS, SWEEPSTAKES & CONTINUITY CATALOG
  MAILING # 2: COUPONS & CONTINUITY CATALOG
  MAILING # 3: CONTINUITY CATALOG
- FSI'S DELIVERING A COUPON, CONTINUITY CATALOG AND/OR SWEEPSTAKES

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1995 DIRECT MAIL PROGRAMS

	CIRCULATION	TOTAL ESTIMATED ITEMS ORDERED	PM COST RANGE/ITEM
APRIL MAILING # 1	4.5MM	86,000	$2.00 - $10.00
JULY MAILING # 2	1.9MM	78,000	$4.00 - $12.00
OCTOBER	1.7MM	104,000	$4.00 - $15.00

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NEXT STEPS

- MACY'S TO PRESENT POTENTIAL ITEMS FOR APRIL INCLUDING APPROXIMATE COST

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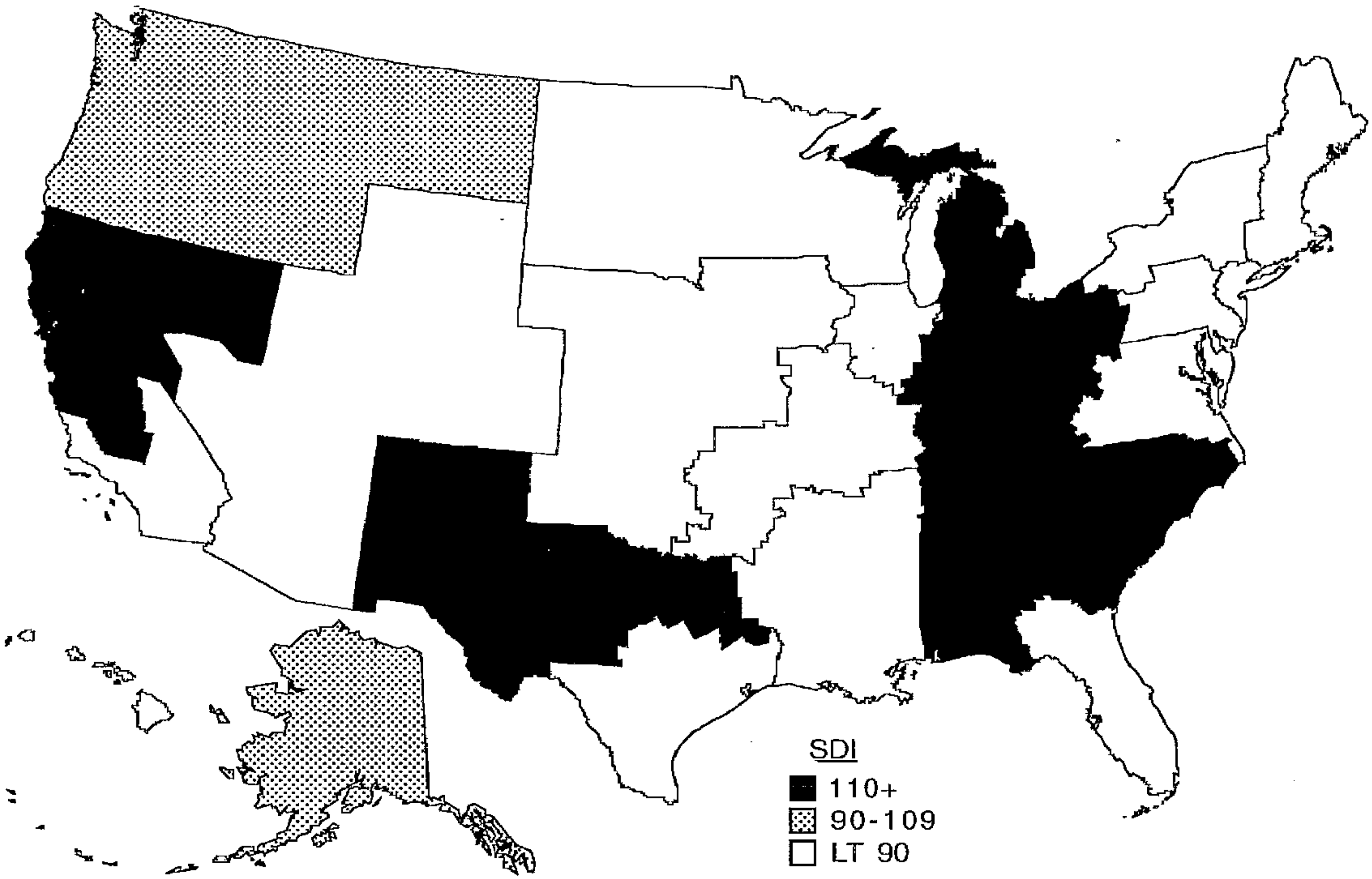
Basic performance has been skewed to seven sections.



NIELSEN INTEGRATED MONTHLY - 3MM JULY 1994

BASIC 1994 SCHEDULE

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		JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
PROMOTIONS													
NATIONAL													
	PACK		MUSIC		B2G1F		ACCESSORIES		ROADTRIP		ENTERTAINMENT		B2G1F
	CARTON	FLASHLIGHT						T-SHIRT		TOOL KIT			

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BASIC/CAMBRIDGE MEGA-VOLUME PROGRAM

MEGA-VOLUME OUTLET CHARACTERISTICS

- HIGH VOLUME (800+CPW)
- SMALL NUMBER OF STORES (5,070) -- LESS THAN 2% OF ALL STORES
  - —BASIC/CAMBRIDGE PROGRAM HAS EVEN SMALLER NUMBER OF STORES (3091)
- HIGH INDUSTRY VOLUME (19%)
- HIGH DISCOUNT SKEW (60%)
- LARGE NUMBER OF STORES ARE INDIAN, TOBACCO OR BORDER STORES
- TAX ADVANTAGED AND/OR DISCOUNT ORIENTED
- HIGH CARTON SALES
- LOW PRICES
- LOW MARGINS
- HIGH LEVELS OF PRICE PROMOTION BY MANUFACTURERS
  - —BUYDOWNS
  - —COUPONS

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BASIC/CAMBRIDGE MEGA VOLUME PROGRAM

MEGA - OUTLETS VOLUME

	# STORES	% OF STORES (SPACE)	% BASIC VOLUME
INDIAN	328	.017	3.8%
TOBACCO	217	.010	2.6%
SUPERMARKETS	1045	.5	4.5%
OTHER	1695	.81	9.8%
	3,285	1.4%	20.7%

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"BASIC MEET COMP" - MEGA VOLUME (055B)
SECTION BUDGET SUMMARY
(THROUGH 10/24/94)

Basic Meet Comp Sept-Dec Budget

			PAYMENTS		UTILIZATION
SECTION	POTENTIAL STORES	Sept - Dec Budget	CURRENT WEEK	TO DATE	%
11	123	$143,825	$26,516	$33,312	23%
12	116	$877,455	295,648	401,877	46%
13	112	$362,831	13,500	71,600	20%
14	95	$310,955	43,306	78,594	25%
	446	$1,695,066	$378,970	$585,383	35%
21	107	$356,562	$50,996	$57,368	16%
22	131	$1,126,997	183,336	245,597	22%
23	170	$271,665	38,236	55,906	21%
24	128	$228,726	10,156	14,682	6%
	536	$1,983,949	$282,723	$373,552	19%
31	232	$839,661	$114,719	$197,820	24%
32	239	$710,434	363,544	640,837	90%
33	189	$539,573	25,567	83,838	16%
35	68	$232,288	52,340	64,892	28%
36	26	$34,930	2,368	6,912	20%
	754	$2,356,886	$558,538	$994,300	42%
41	232	$197,005	$67,548	$97,973	50%
42	102	$34,339	2,086	11,842	34%
43	252	$923,757	243,466	413,185	45%
44	192	$758,756	105,409	116,586	15%
45	130	$633,559	101,348	104,048	16%
	908	$2,547,416	$519,856	$743,633	29%
51	117	$764,642	$87,898	$223,828	29%
52	150	$636,011	34,346	99,794	16%
53	89	$570,149	103,180	103,580	18%
54	91	$153,252	3,835	13,835	9%
	447	$2,124,053	$229,259	$441,038	21%
	3091	$10,707,371	$1,969,346	$3,137,905	29%

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"CAMBRIDGE MEET COMP" - MEGA VOLUME (055C)
SECTION BUDGET SUMMARY
(THROUGH 10/24/94)

Cambridge Meet Comp Sept-Dec Budget

SECTION	POTENTIAL STORES	Sept - Dec Budget	PAYMENTS CURRENT WEEK	PAYMENTS TO DATE	REMAINING BAL. $'S	UTILIZATION %
11	123	$107,148	$4,303	$5,063	$102,085	5%
12	116	$221,050	6,569	51,076	169,974	23%
13	112	$49,583	0	0	49,583	0%
14	95	$102,187	14,286	21,028	81,159	21%
	446	$479,967	$25,158	$77,167	$402,800	16%
21	107	$129,432	$28,989	$32,777	$96,655	25%
22	131	$313,032	19,845	34,793	$278,239	11%
23	170	$167,176	33,138	41,685	$125,491	25%
24	128	$199,752	2,972	2,972	$196,780	1%
	536	$809,392	$84,944	$112,227	$697,166	14%
31	232	$891,319	$131,307	$242,808	$648,511	27%
32	239	$361,433	176,021	308,569	$52,864	85%
33	189	$509,965	21,346	23,930	$486,035	5%
35	68	$165,987	13,121	19,829	$146,158	12%
36	26	$39,527	3,256	4,770	$34,757	12%
	754	$1,968,231	$345,051	$599,907	$1,368,324	30%
41	232	$369,857	$32,905	$49,023	$320,834	13%
42	102	$104,345	300	300	$104,045	0%
43	252	$516,901	131,450	221,255	$295,646	43%
44	192	$323,003	66,924	67,610	$255,393	21%
45	130	$432,201	59,277	61,507	$370,694	14%
	908	$1,746,307	$290,855	$399,695	$1,346,612	23%
51	117	$157,961	$17,596	$28,916	$129,045	18%
52	150	$628,009	12,657	22,221	$605,787	4%
53	89	$47,788	400	600	$47,188	1%
54	91	$25,058	0	600	$24,458	2%
	447	$858,817	$30,653	$52,337	$806,479	6%
	3091	$5,862,714	$776,661	$1,241,332	$4,621,382	21%

BASIC MEGA VOLUME PROGRAM

VALUE/BUDGET UTILIZATION THROUGH 10/10/94 (SEPT.-DEC. BUDGET)

SECTION	<$2.00	$2.01--$3.00	$3.01-$4.00	>$4.00	TOTAL
11	1				1
12	6	11	20		37
13		3			3
14		3			3
21		2			2
22		3			3
23		9			9
24		0			0
31		26	4		30
32	3	37	56	5	101
33		37			37
35		4	1		5
41	1				1
42					0
43	30	7			37
44	7	1			8
45					0
51	9	16	6		31
52	9	8	7		24
53					0
54	5	2			7
	71	169	94	5	339
	19%	51%	26%	2%	

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	CAMBRIDGE MEGA VOLUME PROGRAM					
	VALUE/BUDGET UTILIZATION THROUGH 10/17/94					
SECTION	LT OR EQ $2.00	$2.01-$3.00	3.01-$4.00	$4.00		
11	5					$2,433.00
12		2				$44,506.80
13						$0.00
14		2				$16,139.35
21	7	9				$16,988.00
22	14					$31,767.00
23	28					$22,492.85
24						$2,572.00
31	19	16		3		$127,286.22
32	36	71	38	6		$227,589.30
33	4					$7,202.00
35	3	4	1			$14,001.10
36		3	1			$2,666.80
41	21		2			$32,816.00
42						
43	49	10				$171,220.96
44	19	1				$15,766.40
45	1	3	1	1		$26,400.00
51	2	1	2			$11,981.50
52		5				$11,124.10
53						$200.00
54	3					$600.00
	211	127	45	10		$785,753.38
	53.69%	32.32%	11.45%	2.54%		

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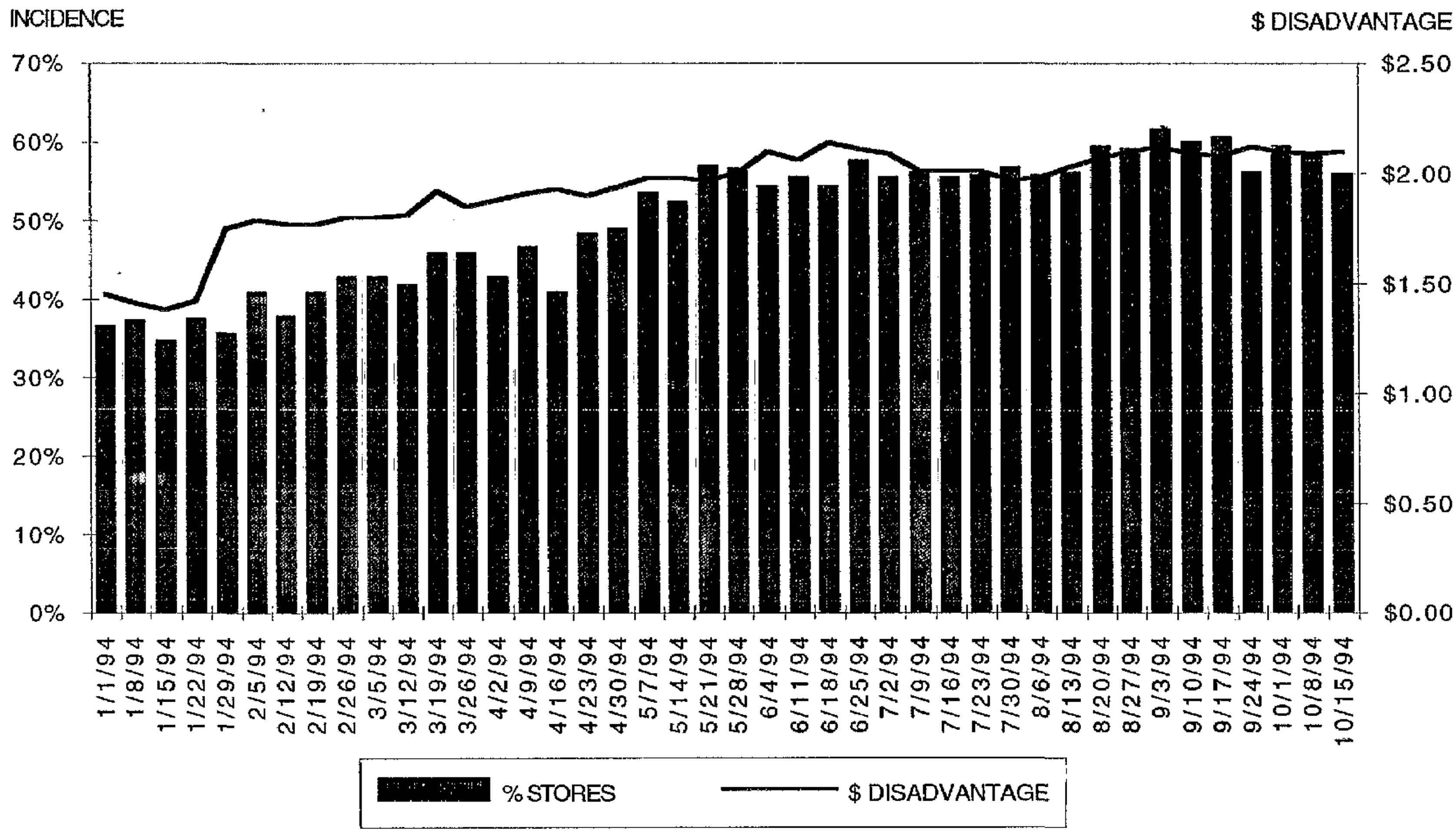
BASIC'S DISADVANTAGE WITH GPC HAS INCREASED IN BOTH INCIDENCE AND $ VALUE.

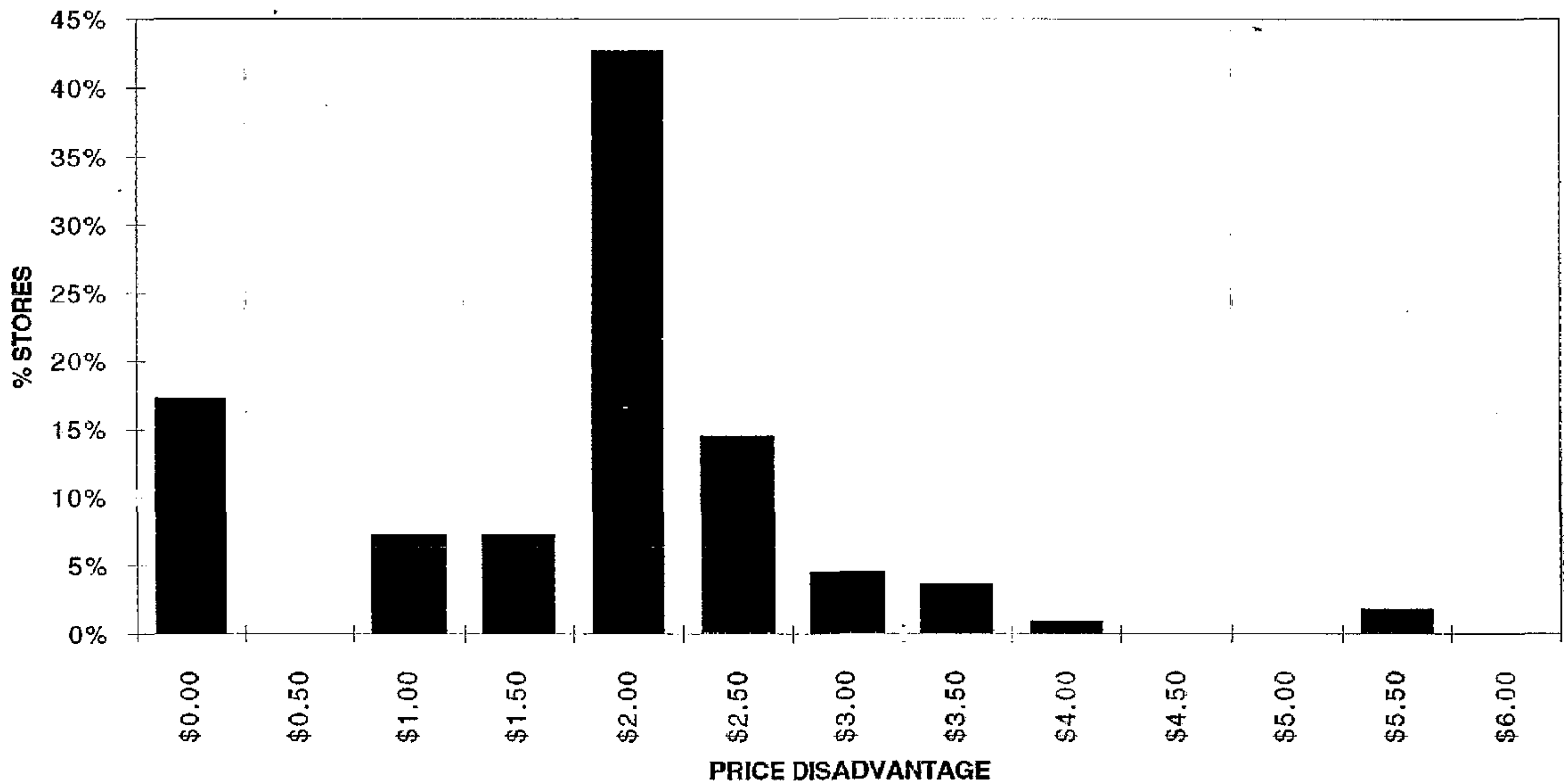


Source: Nielsen Pricing Audit

BASIC DISADV VS. COMP Chart 2

2040426295

BASIC VS. GPC
FREQUENCY DISTRIBUTION OF PRICE DISADVANTAGE
SUPERMARKET CARTONS

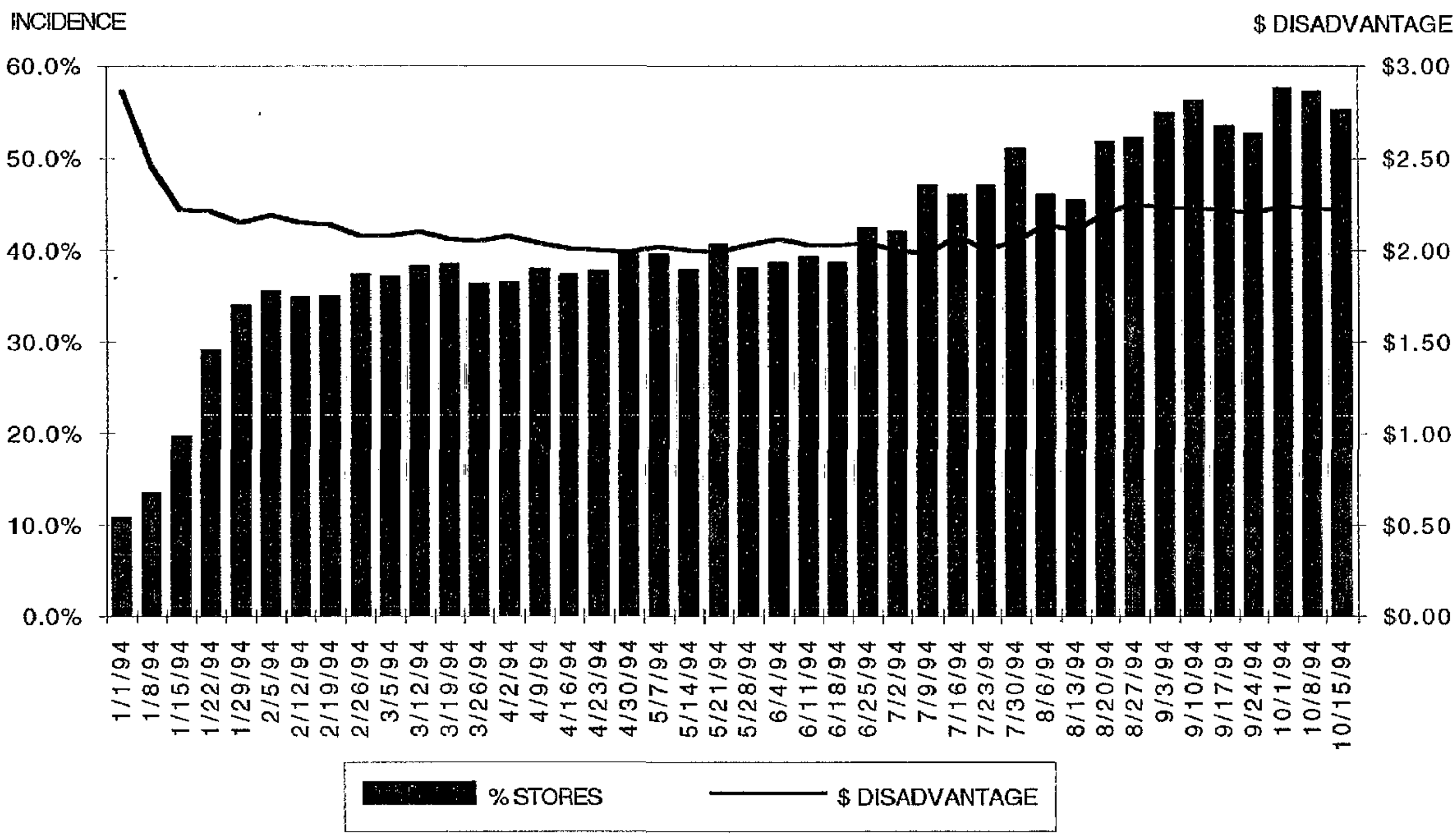


Source: Nielsen Pricing Audit

BASIC GAP IN SUPERS.WKS Chart 2

2040426296

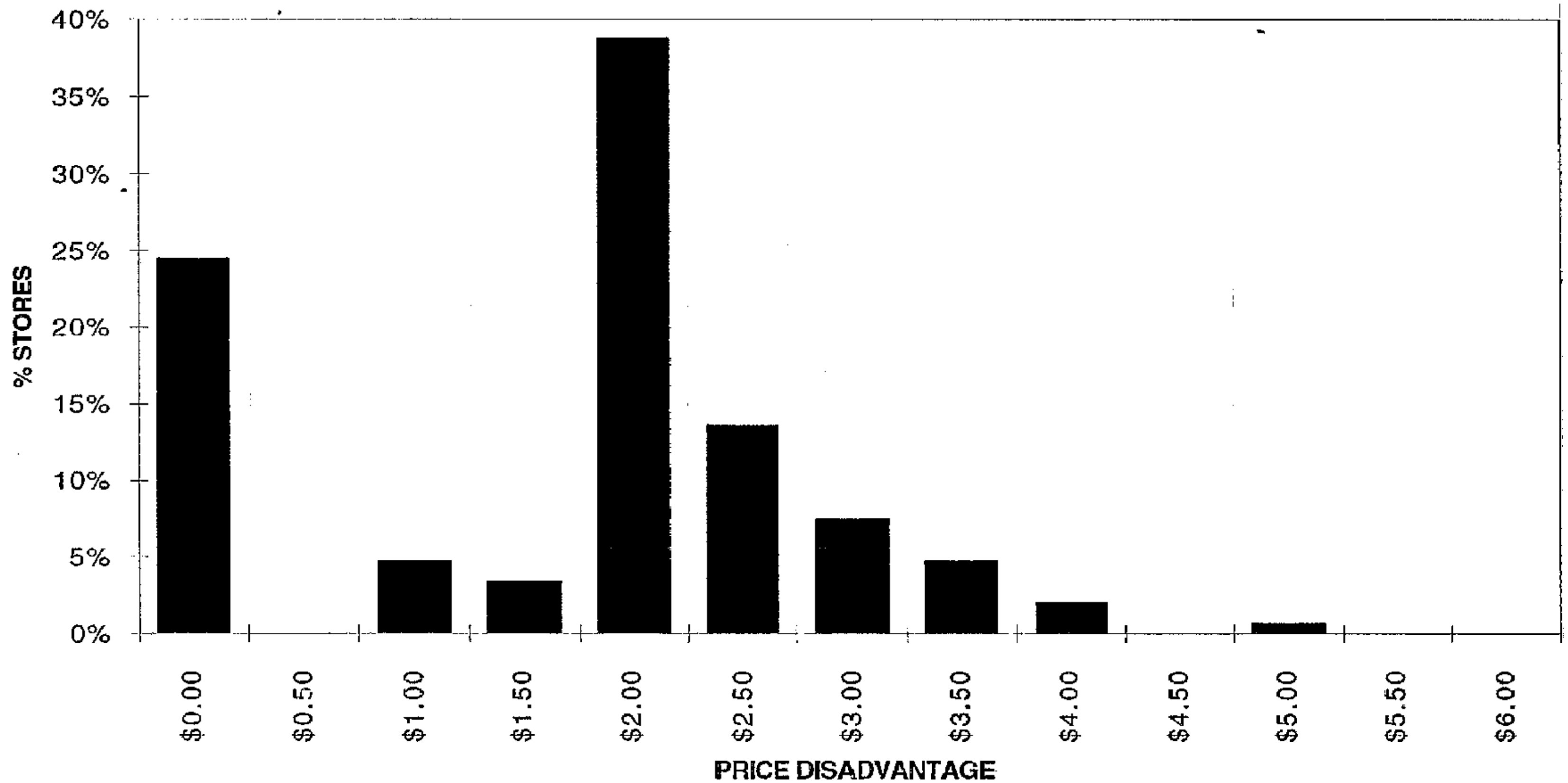
BASIC'S DISADVANTAGE WITH DORAL HAS INCREASED WHILE THE AVERAGE $ DISADVANTAGE HAS REMAINED STABLE.



Source: Nielsen Pricing Audit

BASIC DISADV VS. COMP Chart 5

BASIC VS. DORAL
FREQUENCY DISTRIBUTION OF PRICE DISADVANTAGE
SUPERMARKET CARTONS

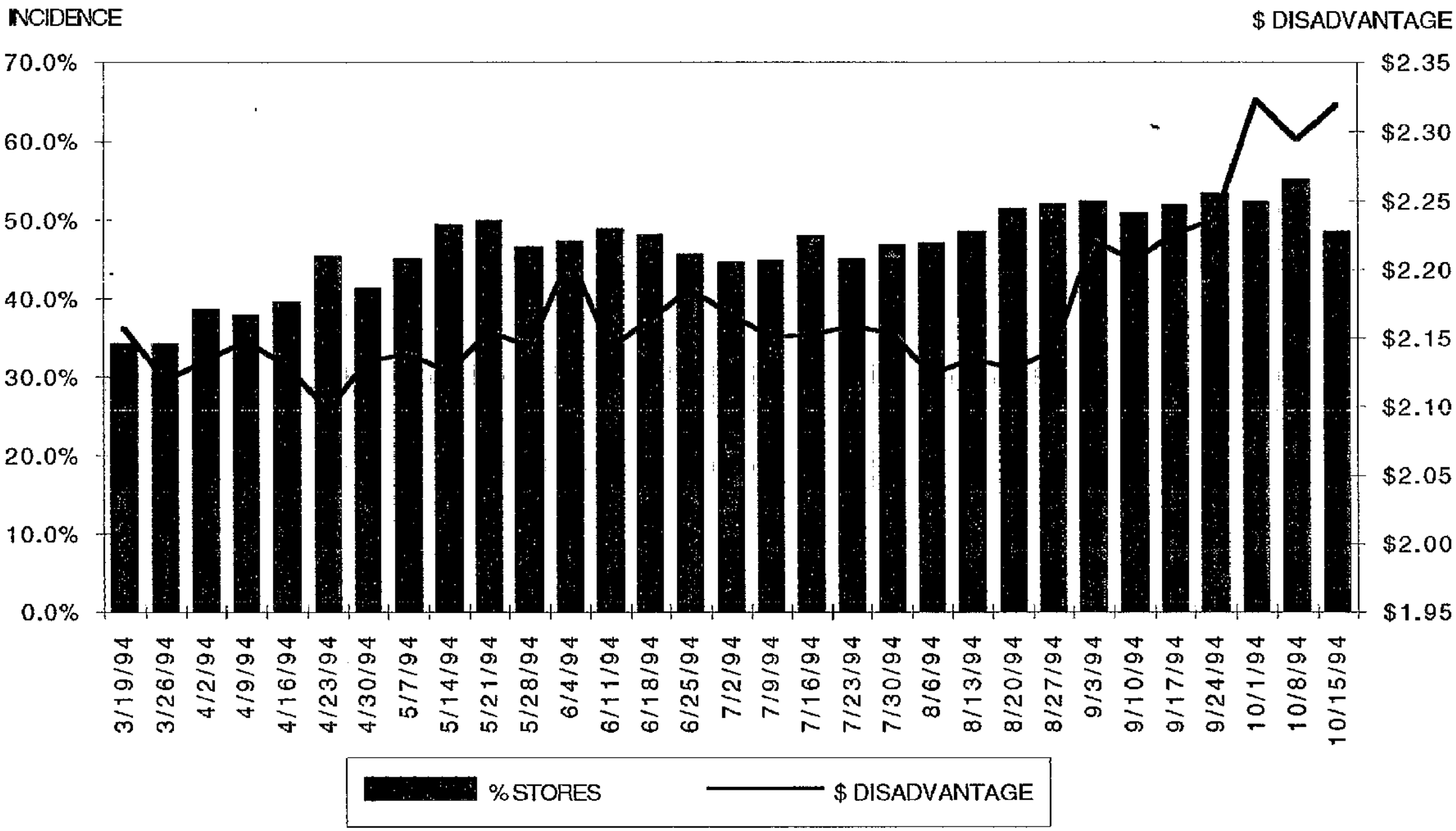


Source: Nielsen Pricing Audit

BASIC GAP IN SUPERS.WKS Chart 3

2040426298

BASIC'S DISADVANTAGE WITH MONTCLAIR HAS REMAINED RELATIVELY STABLE WHILE THE $ DISADVANTAGE HAS INCREASED.

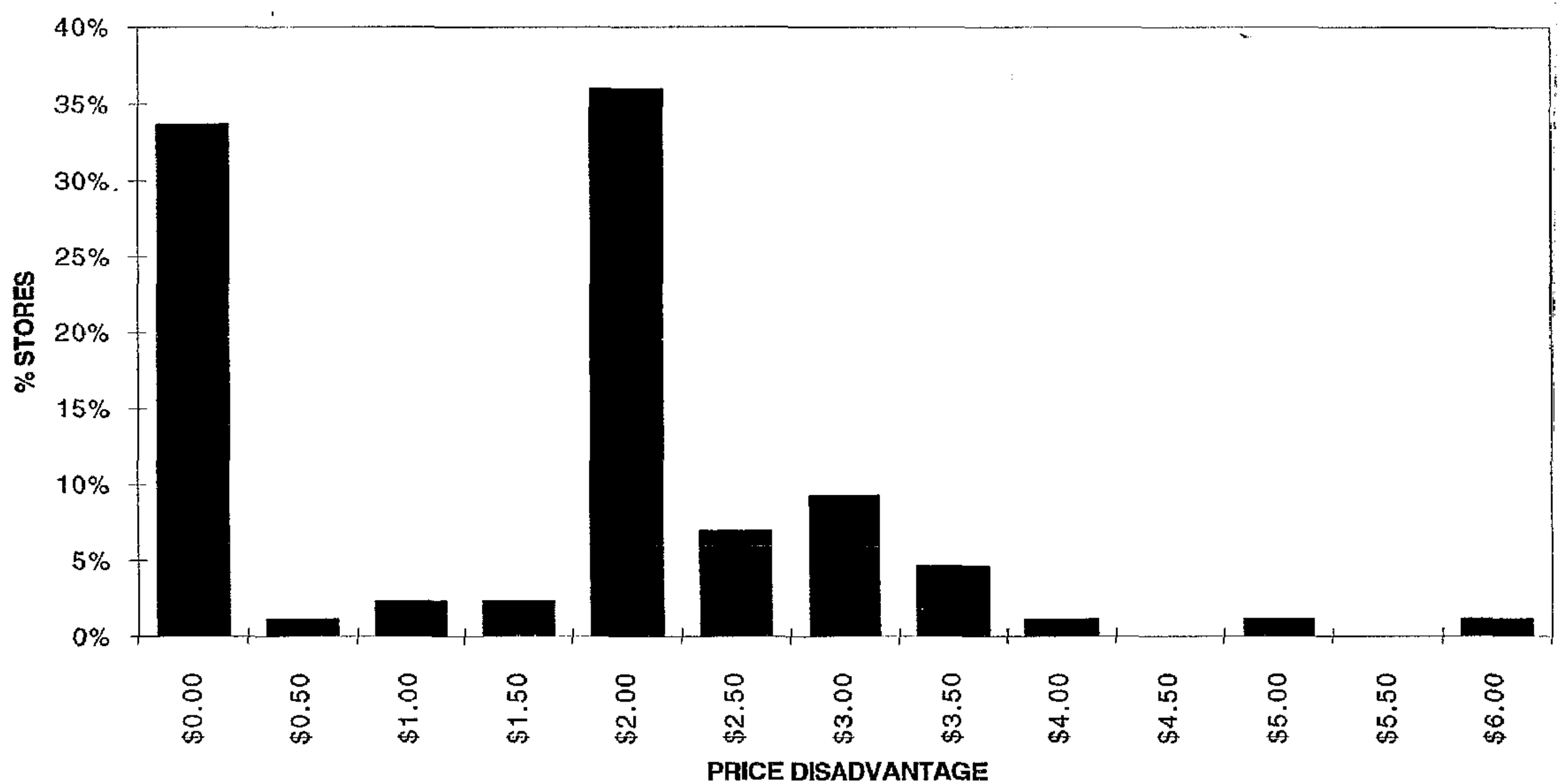


Source: Nielsen Pricing Audit

BASIC DISADV VS. COMP Chart 6

2040426299

BASIC VS. MONTCLAIR
FREQUENCY DISTRIBUTION OF PRICE DISADVANTAGE
SUPERMARKET CARTONS

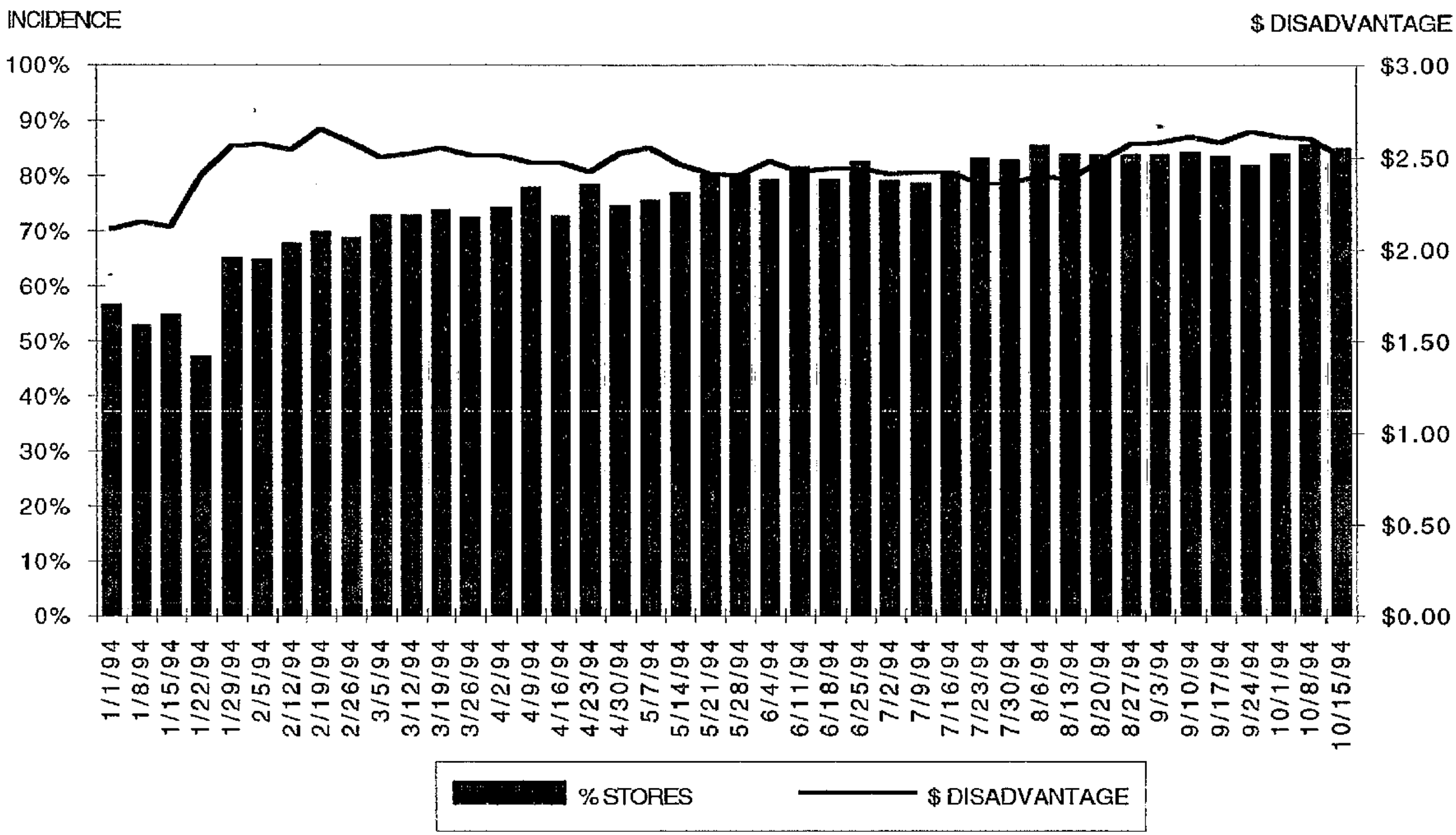


Source: Nielsen Pricing Audit

BASIC GAP IN SUPERS.WKS Chart 1

2040426300

BASIC'S DISADVANTAGE WITH LOWEST DISCOUNT HAS INCREASED IN INCIDENCE WHILE THE $ DISADVANTAGE HAS REMAINED RELATIVELY STABLE YTD.

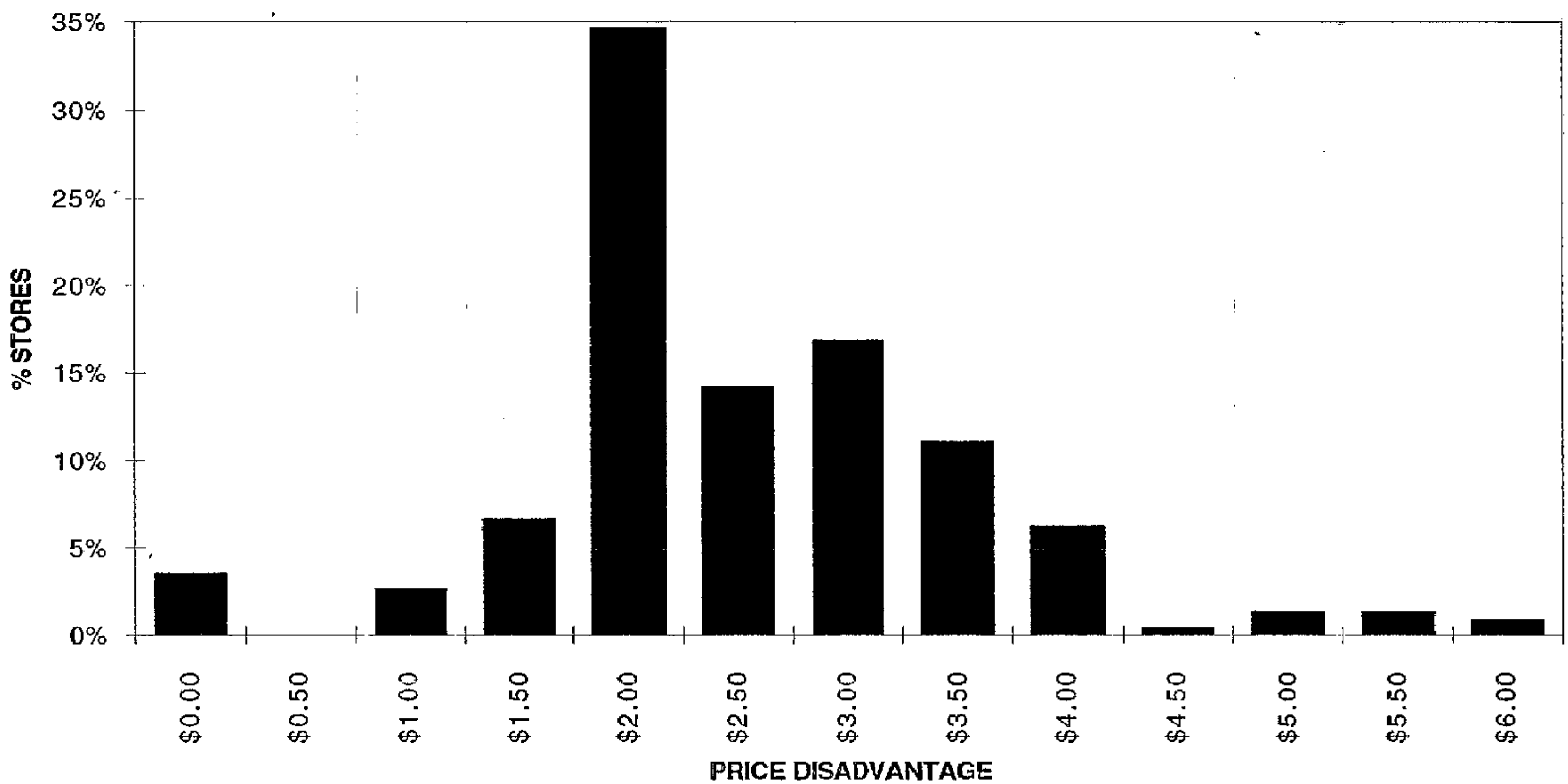


Source: Nielsen Pricing Audit

BASIC DISADV VS. COMP Chart 3

2040426301

BASIC VS. LOWEST DISCOUNT FREQUENCY DISTRIBUTION OF PRICE DISADVANTAGE SUPERMARKET CARTONS



Source: Nielsen Pricing Audit

BASIC GAP IN SUPERS.WKS Chart 4

B VS. DORAL BY REGION

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YTD, BASIC'S CARTON PRICE DISADVANTAGE WITH DORAL INCREASED MOST IN REGION 2.						
	CURRENT		1/94		CHANGE	
	% STORES	$ DISADVANTAGE	% STORES	$ DISADVANTAGE	% STORES	$ DISADVANTAGE
NATIONAL	55.3%	$2.22	13.6%	$2.46	41.7%	($0.24)
REGION 1	62.5%	$2.23	18.9%	$2.93	43.6%	($0.70)
REGION 2	59.4%	$2.17	4.3%	$1.75	**55.1%**	**$0.42**
REGION 3	61.0%	$2.23	17.2%	$3.10	43.8%	($0.87)
REGION 4	44.4%	$2.19	8.2%	$1.75	36.2%	**$0.44**
REGION 5	48.6%	$2.32	13.3%	$2.63	35.3%	($0.31)

B VS. GPC BY REGION

YTD, BASIC'S CARTON PRICE DISADVANTAGE WITH GPC INCREASED MOST IN REGION 2.						
	CURRENT		1/94		CHANGE	
	% STORES	$ DISADVANTAGE	% STORES	$ DISADVANTAGE	% STORES	$ DISADVANTAGE
NATIONAL	56.0%	$2.10	37.0%	$1.41	19.0%	$0.69
REGION 1	48.4%	$2.27	5.0%	$2.00	43.4%	$0.27
REGION 2	68.8%	$2.06	24.1%	$1.57	**44.7%**	**$0.49**
REGION 3	49.0%	$2.08	52.5%	$1.62	-3.5%	$0.46
REGION 4	65.3%	$2.04	39.0%	$1.73	26.3%	$0.31
REGION 5	33.3%	$2.33	58.8%	$1.85	-25.5%	$0.48

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MEGA OUTLET CONSUMER SURVEY (PRICING)
AUGUST 1994

	SOUTH NH	SOUTH GEORGIA	NEW ORLEANS	ST. LOUIS	S. CALIF	INDIANA
CARTON PRICES						
AVG. PREMIUM	$14.39	$13.03	$14.25	$13.43	$16.09	$14.20
AVG. DISC.	10.94	10.28	11.65	11.13	12.65	11.00
AVG. LOWEST	8.09	7.47	7.62	7.59	11.06	7.71
PRICE GAP						
PREM VS. DISC.	3.40	2.75	2.60	2.30	3.44	3.20
DISC VS. LOWEST	2.90	2.81	4.03	3.54	1.59	3.29
% GAP						
PREM VS. DISC.	31%	27%	22%	21%	27%	29%
DISC VS. LOWEST	36%	38%	53%	47%	14%	43%

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BASIC/CAMBRIDGE MEGA-VOLUME PROGRAM OPTIONS

	PRICE PROMO	PROD. PROMO	EXPAND NAT'L PROMOTION
PROS:	• EFFECTIVE IN MAINTAINING SOC/ VOLUME • FLEXIBILITY TO MATCH COMP. • LOW CPM •QUICK RESPONSE TO MARKET PLACE NEEDS • PM PREMIUM RELATIVELY INSULATED FROM PM DISCOUNT •1994 BRAND BUDGET WILL BE UTILIZED	• RICH PROMOTION • CONSISTENT WITH PM USA STRATEGY • PROMOTIONAL UNITS WILL BE SOLD THROUGH QUICKLY	• CONSISTENT WITH PM USA STRATEGY • SOMETIMES RICH PROMOTION
CONS:	•CONTRARY TO PM USA STRATEGY "NO COUPONING" •CAN TRIGGER COMPETITIVE RESPONSE, IF EXECUTED INCORRECTLY •CAN LEAK TO MAINSTREAM OUTLETS •WHOLESALE CLUBS	•NOT FLEXIBILE IN MATCHING COMPETITION •HIGH CPM •ENCOURAGES RETAILER TO BUY FROM THESE OUTLETS •POSSIBILITY OF SHIFTING NAT'L PROMO TO THIS OUTLET AFFECTING MAIN-STREAM (NIELSEN) SHARE • $8-$9MM EXCESS IN 1994 BUDGET	•NOT FLEXIBLE IN MATCHING COMPETITION •WILL REMAIN PRICE DISADVANTAGE •SHIFT NAT'L PROMO TO THIS OUTLET AFFECTING MAINSTREAM OUTLET (NIELSEN) SHARE •NOT ENOUGH QUANTITIES OF INCENTIVE TO GET DISPLAYS IN THESE OUTLETS •MAY NOT SELL PROMOTIONAL UNITS THAT QUICKLY • $8-9MM EXCESS IN 1994 BUDGET

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Basic

BASIC - CAMBRIDGE MEGA-VOLUME PROGRAM

RECOMMENDATION

- PARTICIPATING STORES

  —800 -999 CPW INDEPENDENTS ONLY
  —1000 + CPW CHAIN AND INDEPENDENTS
  —WHOLESALE CLUBS EXCLUDED

- MEET COMP IN PARTICIPATING STORES

  —IF ONLY ONE COMPETITIVE BRAND IS BOUGHT DOWN, MATCH WITH EITHER BASIC OR CAMBRIDGE, NOT BOTH

    —GPC
    —DORAL
    —MONTCLAIR
    —MONARCH

  — 200 CARTONS DISPLAY FOR BASIC/100 CARTONS DISPLAY FOR CAMBRIDGE

- SECTION BUDGET WILL BE BASED ON:

  —# OF STORES, BRAND SHARE, IN 75% MEGA-OUTLETS AND PRICE DISADVANTAGE OF $2.46

Basic

BASIC/CAMBRIDGE
MEGA - VOLUME MEET COMP OPTIONS

	MATCH COMPETITIVE PRICING	MAXIMUM $2.00 BUYDOWN	BUYDOWN $1.00 WITHIN COMPETITION
PROS:	•EFFICIENT SPENDING •FLEXIBLE	•BUDGET CONTROL	•CONSISTENT WITH PM-USA STRATEGY
CONS:	•MINIMUN BUDGET CONTROL	•POTENTIALLY AT A DISADVANTAGE	•MINIMUM BUDGET CONTROL •PRICE DISADVANTAGE